



Request for City Council Committee Action From the Department of Public Works

Date: September 11, 2012

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Subject: **Technology Drive Reconstruction Project No. 9921: Designation and direction to establish working drawings**

Recommendation:

- A. Adopt the attached resolution designating the location, streets, and improvements proposed to be made in the Technology Drive Project No 9921 street improvement project.
- B. Direct the City Engineer to prepare working drawings for the Technology Drive Project No 9921

These Resolutions are authorized for summary publication.

Previous Directives: None.

Prepared by: Robert Carlson, P.E., Principal Project Engineer 673-3614

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Robert Carlson, P.E., Principal Project Engineer 673-3614

Reviews

Permanent Review Committee (PRC):	Approval	N/A	Date
Civil Rights Affirmative Action Plan	Approval	N/A	Date
Policy Review Group (PRG):	Approval	N/A	Date

Financial Impact

Any Innovative Business Grant that the Minnesota Department of Employment and Economic Development awards requires a 50% "local match" requirement that staff would seek to fund with special assessments to be levied against the benefiting properties and an allocation from the City's Development Infrastructure Program.

Community Impact

Neighborhood Notification: Staff has met with the two major, neighboring businesses and will notify the lone single family residence and the neighborhood association, Columbia Park.

City Goals: A City That Works, the city's infrastructure will be well-managed and maintained.
Jobs & Economic Activity
Comprehensive Plan: Policy 4.11.1 Enhance and maintain transportation, wastewater, green space, and other physical infrastructure to serve the needs of businesses where appropriate.
Zoning Code: Not Applicable

Background/Supporting Information

This project would reconstruct Technology Drive, a long one-block street stretching from Marshall Street NE to 37th Avenue NE. The road is in poor condition with a pavement conditions index of 16 (out of 100) and has poor or nonexistent curbs and sidewalks.

There are two main businesses located on Technology Drive, as well as one single-family residence. The businesses are Open Access Technology Inc. (OATI), a fast growing software firm serving the electric utility industry, and LKQ Corporation, a distributor of recycled automobile parts.

OATI moved into its facility in 2010 bringing 300 jobs into Minneapolis and investing \$31 million, in part financed using the City's revenue bond program. OATI is experiencing rapid growth – named to the *Inc. 5000* list of the fastest growing private companies in the country – and the facility has room to accommodate an additional 200 jobs. Most of these jobs are relatively high-paying management and software development positions.

OATI raised the issue of the poor condition of Technology Drive with the City and engaged the City in a conversation about potential improvements. City staff has since had multiple conversations with OATI and the neighboring business, LKQ Corporation, on the potential scope, budget, funding, and schedule for a potential project. Both businesses would like to see improvements to the roadway and are willing to help fund a project through special assessments. Staff would like to undertake this project to improve area access and facilitate the continued expansion of OATI. Please note that a reconstruction of Technology Drive does not appear in the City's five-year Capital Improvement Program.

At this time, staff seeks authority to designate the improvement of Technology Drive as a project to allow further design and engineering to occur. (Note that the Community Development Committee is concurrently considering a request for council action to apply for a grant that would be a key source of funds for the project.) As those steps are completed and are successful, staff would seek further City Council approval to proceed further with the project, authorize special assessments, and accept a grant, if awarded.

Scope, Schedule and Funding

At this time, the project scope would consist of a reconstruction of the roadway, as well as the installation of new curb and gutter and sidewalk.

The project would aim to complete design and engineering during fall 2012, bid out the construction work in winter 2012-2013, and start construction in spring 2013, provided the DEED grant funding is approved and awarded for this project.

A cost estimate for the project is approximately \$1,000,000. With approval (the Community Development Committee is concurrently considering), staff would apply for a grant from the Innovative Business Development Public Infrastructure Program from the Minnesota Department of Employment and Economic Development (DEED) for up to half of the project costs. The remaining budget would be funded by special assessments on the neighboring property owners and by an allocation of funds from the Development Infrastructure Program for design and engineering costs. A preliminary estimate of the special assessments that could be raised using the standard assessment formula amounts to approximately \$500,000.

Colvin Roy

**TECHNOLOGY DRIVE STREET RECONSTRUCTION PROJECT
SPECIAL IMPROVEMENT OF EXISTING STREET NO. 9921**

Designating the improvement of certain existing streets at the locations described hereinafter.

Resolved by the City Council of the City of Minneapolis:

That the following existing street within the City of Minneapolis is hereby designated to be improved, pursuant to the provisions of Chapter 10, Section 6 of the Minneapolis City Charter, by paving with asphalt, with concrete curb and gutter all on a stabilized base and including other street paving related improvements as needed.

Technology Drive from Marshall Street NE to 37th Avenue NE

Be It Further Resolved that the City Engineer be directed to prepare working drawings for said proposed Technology Drive Street Reconstruction.